



**TITLE:** REGULAR MONTHLY BOARD  
MEETING MINUTES

**DATE:** JANUARY 12, 2024

### 1. ATTENDANCE:

Chairman Stuart Christian called the January 12, 2024, meeting to order at 8:00 AM at the District Office. Other managers attending were Clayton Bartz, Don Andringa, Craig Engelstad and Shawn Brekke. Staff members present included April Swenby – Administrator and Donna Bjerk – Administrative Assistant. Others in remote attendance included Zach Herrmann – Houston Engineering, Bryan Murphey, H2Over Viewers, and Mark Behrends and Wesley Dahl – Freeborn Ditch Viewers.

### 2. APPROVAL OF THE AGENDA:

A **Motion** was made by Manager Bartz to approve the agenda as presented, **Seconded** by Manager Engelstad. **The Motion was carried.**

### 3. REORGANIZATION OF THE BOARD:

Annual reorganization of the Board was conducted. Chairman Christian turned the meeting over to Manager Andringa who asked for nominations for **Chairman of the Board**. Manager Bartz nominated Manager Christian for Chair. Nominations were called for three times by Manager Andringa. No further nominations were made. **Motion** to cease nominations and have the secretary cast a unanimous ballot for Stuart Christian for Chairman by Manager Brekke **Seconded** by Manager Engelstad, **Carried**. Manager Andringa returned the chair to Chairman Christian.

Chairman Christian asked for nominations for **Vice Chairman** of the Board. Manager Engelstad nominated Manager Andringa for Vice Chairman. Nominations were called for three times by Chairman Christian. No further nominations were made. **Motion** to cease nominations and have the Secretary cast a unanimous ballot for Andringa for Vice Chairman by Manager Brekke, **Seconded** by Manager Engelstad, **Carried**.

Chairman Christian asked for nominations for **Secretary of the Board**. Manager Bartz nominated Manager Brekke for Secretary. Nominations were called for three times by Chairman Christian. No further nominations were made. **Motion** to cease nominations and have the Secretary cast a unanimous ballot for Manager Brekke for Secretary by Manager Englestad, **Seconded** by Manager Andringa, **Carried**.

Chairman Christian asked for nominations for **Treasurer** of the Board. Manager Andringa nominated Manager Bartz for Treasurer. Nominations were called for three times by Chairman Christian. No further nominations were made. **Motion** to cease nominations and have the Secretary cast a unanimous ballot for Manager Bartz for Treasurer by Manager Engelstad **Seconded** by Manager Andringa, **Carried**.

Manager Bartz made a **Motion** for the following: That the Fertile Journal is designated as the official newspaper of the SHRWD. That the following financial institutions be designated as official depositories for SHRWD funds: Red River State Bank of Fertile and Bremer Bank, Detroit Lakes, MN. That the District's consulting engineering firm is Houston Engineering, PO Box 5054, Fargo, ND. That the attorney for the District is David Hauff, Firm of Anderson and Bottrell, PO Box 10247, Fargo, ND. That mileage for District business is reimbursable at a per mile rate coinciding with the allowable IRS mileage rate. That manager per diem is set at \$40 per hour with a maximum daily total of \$125.00 as prescribed by State law. **Seconded** by Manager Engelstad, **Carried**.

A **Motion** was made by Manager Brekke to authorize Stuart Christian, Clayton Bartz, and April Swenby as the current financial and representative signers and keeping Donna Bjerk a financial signer for the Red River State Bank account, **Seconded** by Manager Andringa, **Carried**.

A **Motion** was made by Manager Engelstad to appoint April Swenby and Donna Bjerk as an authorized signer to the Business Rewards Credit card with FCCU giving Bjerk and Swenby the ability to use the assigned credit

card on behalf of the district, **Seconded** by Manager Andringa, **Carried**. Credit card charges are always listed on the bills to be paid individually for the managers to review each month. Both meeting minutes and one signature are required for any future signature additions/removals to this credit card.

A **Motion** was made by Manager Engelstad authorizing the April Swenby and Clayton Bartz as authorized representatives regarding the Membership Savings account and credit card listing them on the entity authorization form, **Seconded** by Manager Andringa, **Carried**.

For informational purposes, Swenby reminded the managers of the following which are regulated by the credit card company:

1. One signature is required to withdraw funds from the Reward Savings account at First Community Credit Union.
2. One signature is also required to open/close any accounts with First Community Credit Union.
3. When new employees or new Treasurers represent the Sand Hill Watershed District, proper documentation will need to be reflected for the credit card.

A **Motion** was made by Manager Bartz authorizing April Swenby and Donna Bjerk as authorized representatives regarding the Sam's Club Credit card listing both on the entity authorization form, **Seconded** by Manager Engelstad, **Carried**.

A **Motion** was made by Manager Brekke to set the regular board meeting for 2024 for the first Thursday of every month, **Seconded** by Manager Engelstad, **Carried**.

#### 4. MINUTES:

A **Motion** was made by Manager Bartz to approve the minutes from the December 11, 2023, meeting, **Seconded** by Manager Brekke. **The Motion was carried.**

#### 5. FINANCIAL REPORT:

A **Motion** was made by Manager Brekke to dispense the reading and approve the December 2023 Treasurer Reports, **Seconded** by Manager Andringa. **The Motion was carried.**

The managers reviewed their expense reports and reported on activities for the month. The following bills were reviewed.

<b>Anderson, Bottrell, Sanden &amp; Thompson</b>	360.00
<b>April J. Swenby</b>	243.88
<b>City of Fertile</b>	55.02
<b>Diligent</b>	2,282.64
<b>East Polk Soil and Water District</b>	554.00
<b>EcoLab</b>	53.57
<b>First Community Credit Union</b>	1,007.56
<b>Houston Engineering</b>	11,299.16
<b>JC &amp; J Trucking, Inc.</b>	20,446.95
<b>Liberty Township</b>	2,100.00
<b>Mid Valley Electric</b>	150.00
<b>Nathan Rasch</b>	170.00
<b>Norman County SWCD</b>	45.00
<b>Polk County Taxpayer Service Center</b>	20.00
<b>Rosebud Township</b>	150.00
<b>Stuhaug Sanitation</b>	322.92
<b>Vineland Twp.</b>	1,800.00

**Wild Rice Electric**  
**TOTAL**

42.89  
**41,103.59**

Four additional bills were presented that were not included on the bills to be paid report. One for \$4,897 from MCIT, revised amounts for EPSWCD with an additional \$1,292.44, Brandner Printing for \$39.58, and one to CMGB land for \$712.82 for interest paid on a tax levy (annual reimbursement due each year).

A **Motion** was made by Manager Engelstad to approve and pay the bills with a total of \$48,045.43 **Seconded** by Manager Andringa. **The Motion was carried.**

Manager Engelstad asked if the district had ever considered the option of borrowing against a CD, in lieu of the money market fund in an effort to make more money. Swenby didn't know of historical discussions surrounding that, and what stipulations the district had for borrowing as a public entity. The money market was a new account set up in 2019 shortly after she became Administrator to find options for earning more interest, and still keeping a certain amount of operating money liquid. She stated that another purpose of the money market was to ensure that the funds were FDIC protected and the regular checking account only protected up to \$250,000. Often times throughout the year, more is needed in liquid dollars, and that was the reason the district sought the solution of the money market. Prior to the money market the district was making under \$5 a month in interest, and now with the money market, at times it has been close to \$2,000 per month. Multiple times throughout the year, the checking account will need small amounts deposited (\$50,000 +/-) and transferring from the money market is a simple process, and asked what it would look like borrowing through a bank each time small amounts are needed. Swenby stated she'd be happy to look into that as an option, with board action and suggested asking the attorney what options/processes the district would have for borrowing in this form as a public entity, if any. The board managers did not instruct her to pursue further.

## 6. FREEBORN DITCH VIEWERS PRESENTATION

Swenby explained that she learned of Freeborn Ditch viewers through a colleague she had met through many conferences from Faribault County. Faribault County has done several recent redeterminations in other areas of Minnesota, primarily southern and western regions of the state.

Wesley Dahl was introduced from Freeborn Ditch Viewers to discuss their process and possible services they can provide to the district relating to the potential redetermination of the Sand Hill Ditch.

Freeborn Ditch Viewers work in over a dozen counties in southern Minnesota and Dahl testified that all the counties seem to be happy with our work and continue to appoint them to additional ditches every year. One item that they find beneficial for Counties is when we have most of the work done, we hold an informational meeting and have a PowerPoint presentation for landowners to explain the process we used for the ROB, learn anything that is unique about their parcel and answer questions. They then make any necessary changes and when we hold the final Public Hearing, usually there aren't any issues because we took the time earlier to address them.

With every county, they have been paid on an hourly basis and have found this approach to be fair and believe it saves the counties money in the long run. Every ditch system is different, and presents its own unique challenges that are often unknown until the process begins. Typically, small systems (500-2,000 acres) have a higher cost per acre and larger systems (5-20,000 acres) have a much lower cost per acre but there are also many variables. With the size and distance of the Sand Hill Ditch from their location, Freeborn Ditch viewers feel there are too many unknowns to submit an accurate upfront cost, and if required to bid costs would likely be higher to account for unknown issues. They provided rough estimates for a cost acre range but reiterated that the final cost is variable depending on issues encountered during the redetermination. They feel the redetermination would likely be less expensive from their estimate, but would just depend on needs through the project. They provided to the managers an hourly rate for the members of their team.

## 7. H2OVER VIEWERS PROPOSAL

Bryan Murphy presented an official proposal for services to the board for a redetermination of the Sand Hill Ditch. He provided a per acre rate and a reduced option should Polk County appoint H2Over Viewers for the

11 contributing systems of the Sand Hill River Ditch System. A scope of work was provided in the proposal, in addition to varying insurances.

Murphy also provided example RFPs from Sibley County, who solicited quotes for viewers regarding systems they have. The results for the RFP showed area viewing rates in relation to H2Over Viewers. He also provided a letter of recommendation from Sibley County.

## 8. ADMINISTRATOR REPORT:

**IRS Mileage rate:** Swenby reported that the rate for 2024 has increased 1.5 cents to \$.67/mile.

**Project #17:** Swenby is looking at hosting a meeting in Climax in March (after Manager Andringa returns from Florida) for the Project #17 landowners regarding the repairs that need to be completed. Her plan is to present a current overview of account balances, possible costs for cleaning, etc. Swenby asked for additional input from the board and to let her know if they have suggestions.

**Vesledahl Legal Ditch:** Swenby is planning a landowner meeting in February/March to present to landowners MnDOT's willingness to support a legal ditch petition. Her plan is to review the process for the establishment of a legal system, to review the account balance that the state has granted permission to be used for the establishment, and to educate and be available for questions. She believes it is beneficial to have Herrmann present so he can discuss the potential drainage areas. Herrmann and Swenby will develop a presentation together. Manager Engelstad suggested maps that present alternatives for subsidiary ditches draining to the main channel. Swenby stated that those maps have been developed a few years ago before she was Administrator, and Herrmann agreed it would be a simple process to pull them back together.

**Norman/Polk Southern Boundary Project Team:** Swenby attended the Project Team meeting in Ada. Preliminary cost estimates were given for different options of channelization, and all options proved to be costly without outside grants. Because channelization falls under MN103E there is limited grant aid. Cost estimates were provided for impoundment sites, where there would be an extreme amount of grant assistance. WRWD will discuss alternatives with landowners where sites have been identified.

**Ditch Inspections:** Joe Miller completed the following on Project # 29.

1. Union-Sarah USFWS Dike
2. Screen on Union-Sarah culvert

Images were provided to the managers.

**PROTECT Funds:** Both Reis and Liberty Township were denied PROTECT funds. They were both encouraged to reapply for the next round.

**Redetermination Staff Tasks:** Last month, managers asked for comparisons from Wild Rice Watershed (WRWD) and Red Lake Watershed (RLWD). WRWD indicated they have 48 systems, and many have an outdated benefit role. They haven't started the process and will wait for landowners to initiate the redetermination. She did not receive a response from the RLWD.

Swenby provided the attorney perspective on the questions she was directed to ask last month about the pros and cons of redeterminations and she presented those responses to the managers. The managers discussed in depth the pros and cons of a redetermination, and whether it should be landowner driven or watershed district directed.

The managers discussed the presentations from both consultants. Costs could be relatively the same. The managers were e-mailed in December the average cost per acre as reported by Faribault County, when hiring Freeborn Ditch Viewers.

The managers discussed the deliverables between the two entities. The difference between the two companies was determined to be in the scope and the "deliverables". Each company has a unique packet that is distributed to landowners piled with information that will look very different in comparison to each other. Freeborn provides the data to staff and staff prepares the property owners reports using their data, as an example. H2Over provides the property owner's reports and they print and mail them. They provide benefits/damages and process, a FAQ page, and overview map of the watershed, a tabular report for the property owner and their neighbors, and an individual map that shows how the benefits were appraised. The

managers discussed the differences between the insurances provided from each company. There were some differences in experience as well, however both companies indicated that it was their experience that very few Redeterminations were “landowner driven”. The time frame to complete the redetermination was similar between the two companies.

The managers were not ready to commit to any company, nor were they ready to commit to moving forward with the redetermination. All agreed that they’d like to learn more and that this is just the early stages for managers to learn more about what the options are and what is best for the ditch system.

Swenby will reach out to Polk County to arrange a joint meeting about the possible redetermination of the Sand Hill Ditch, in collaboration with the Polk County systems that are in need of redeterminations.

**FEMA Appeal:** Michelle Fischbach’s office received a response from FEMA about our appeal. It was the following: “Our program staff looked into it and the appeal for this project is still under review. FEMA requested additional documentation and information from the U.S. Army Corps of Engineers which was needed to evaluate the appeal and getting that information took some time. All the information requested was received in November and they are currently reviewing it, as well as additional documents that were provided by the applicant during the course of the appeal. I understand that the delays are frustrating, but rest assured that our staff are working to issue this decision as expeditiously as possible. I’m sorry I could not provide a better update, but I will let you know if I hear anything more. If you have any other questions, please let me know.”

**Additional Information:** The managers were given an update in writing to read on their own on the following: District office building project, Mn Campaign Finance Agency reminders, a public relations article from BWSR, One Watershed One plan, the Drainage Work Group, LRIP Township funding application, Flood Damage Reduction Work Group, and the SH Restoration Project Team.

## 9. ENGINEER’S REPORT

**Project # 27:** Swenby asked Herrmann if we were ready to move forward with Bryan Boll’s permit and he stated he will check on that so that Boll can move forward with a plan for spring. Herrmann was sent the footage from the under water camera during the spring inspections and he will take a look and compare the footage from previous years and make any maintenance recommendations.

**Project #17 – Moen Erosion Control:** Herrmann stated that they are nearly ready to begin applying for the necessary permits. Some of the land this project ensues has changed hands. Swenby has reached out to the new landowner who is supportive of the project.

**Project Team (SH River Ecosystem Restoration):** Borings have been scheduled.

**SH Ditch Redetermination:** Herrmann will have potential ROW costs on the SH Ditch ready at the next board meeting.

**SH Ditch Erosion (Section 24, Scandia township):** A survey was completed the end of November to assist in a development of a corrective plan of action and the district is using the leftover 1W1P planning grant funds to develop a concept plan/cost estimate to repair the bank damage. HEI is working on a design plan.

## 10. ACTION ITEMS.

**Bylaws:** Swenby has amended the bylaws as directed last month. One sentence was added on page 3 where it currently discusses manager roles and their ability to contact legal and consultants outside of board meetings. She verified with the attorney that there are no statutory requirements for hearings regarding the update of bylaws. He referenced her to see if the district bylaws indicated procedures for such action, which they do not.

Additionally Swenby proposed the changes that better reflect how the district does business regarding ditch maintenance, and highlighting the separation between the Administration budget and the expenditures relating to necessity for ditch maintenance. The date and manager signature name will be changed to reflect the current officers. A **Motion** was made by Manager Andringa to approve the bylaws changing the date and officers, **Seconded** by Manager Brekke. **The Motion was carried.**

**Rinke Noonan Proposal:** Swenby provided two proposals from Rinke Noonan for legal services holding John Kolb on retainer or hiring by the hour. This does not change our designated legal counsel.

- **PROPOSAL OPTION ONE – MONTHLY RETAINER + HOURLY SERVICES:** A flat rate of \$200 per month or \$2,400 per year which covers simple inquiries and verbal and written opinions general in nature for the District Board and its staff. This allows the cost of such advice to be defrayed over the course of the month. Due to the nature and brevity of these inquiries and responses, billing statement entries for the retainer file will not be as detailed as statements for hourly service files regarding specific matters and proceedings. Work performed outside of the scope of the flat monthly retainer fee will be billed within individual matter files according to the discounted hourly rates for government clients described below.
- **PROPOSAL OPTION TWO – HOURLY SERVICES ONLY:** All work performed for the District as described in the Scope of Representation above will be billed according to the discounted hourly rates for government clients described below. Under this proposal, we may also open a general inquiries file for simple inquiries and verbal and written opinions general in nature for the District Board and its staff which are not related directly to a specific matter or proceeding.

A **Motion** was made by Manager Brekke to approve Option One, **Seconded** by Manager Andringa. **The Motion was carried.**

## 2. OTHER BUSINESS

The managers received information from the Drainage Work Group.

## 3. PERMITS:

No permits were brought before the board.

## 4. ADJOURNMENT:

The next regular meeting will be held February 1, 2024, at 8 AM. As there was no further business to come before the board, a **Motion** was made by Manager Bartz to adjourn the meeting at 12:23 PM, **Seconded** by Manager Brekke. **The Motion was carried.**

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Donna Bjerck, Administrative Assistant

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Shawn Brekke, Secretary